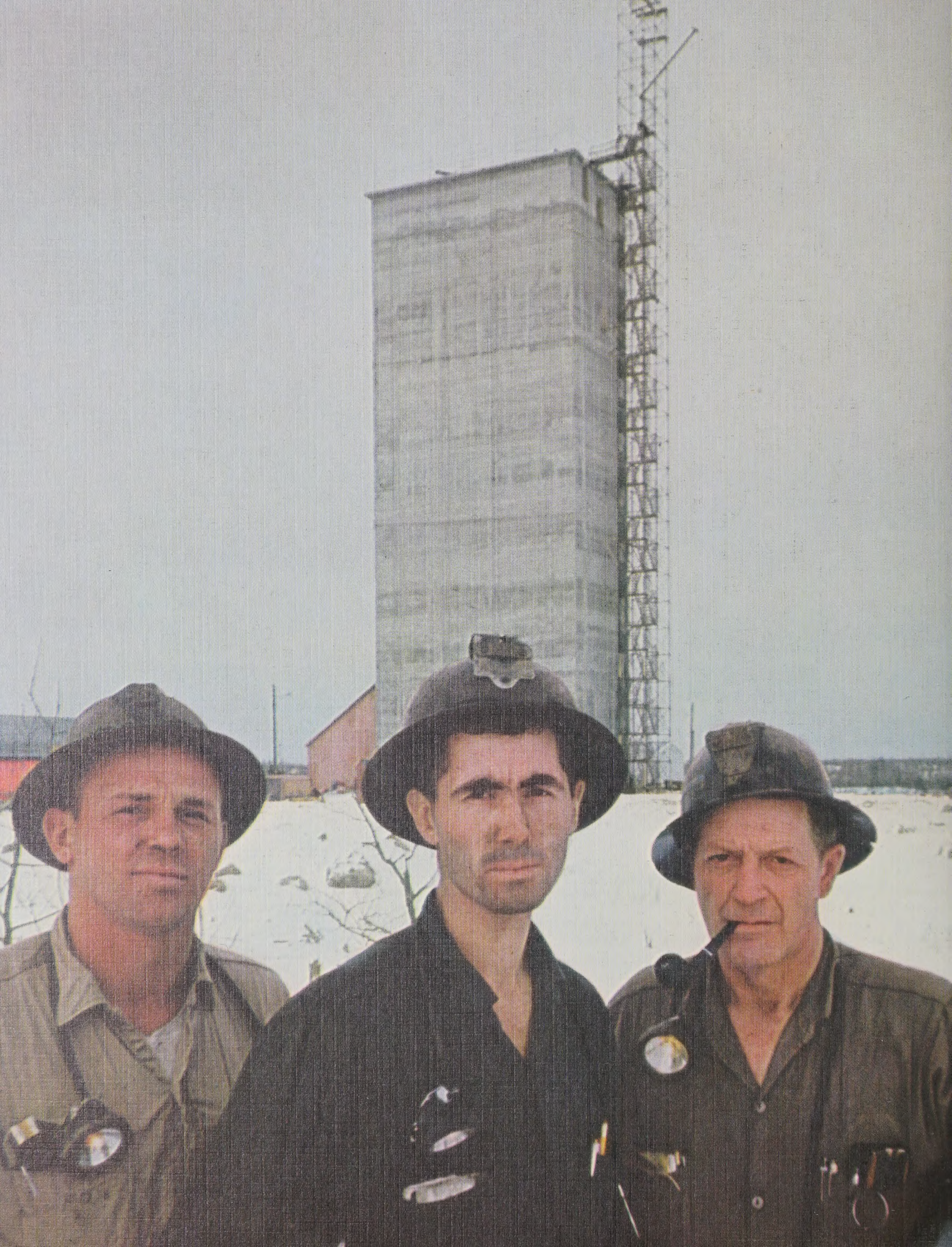


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The
International
Nickel
Company
of Canada
Limited

1965

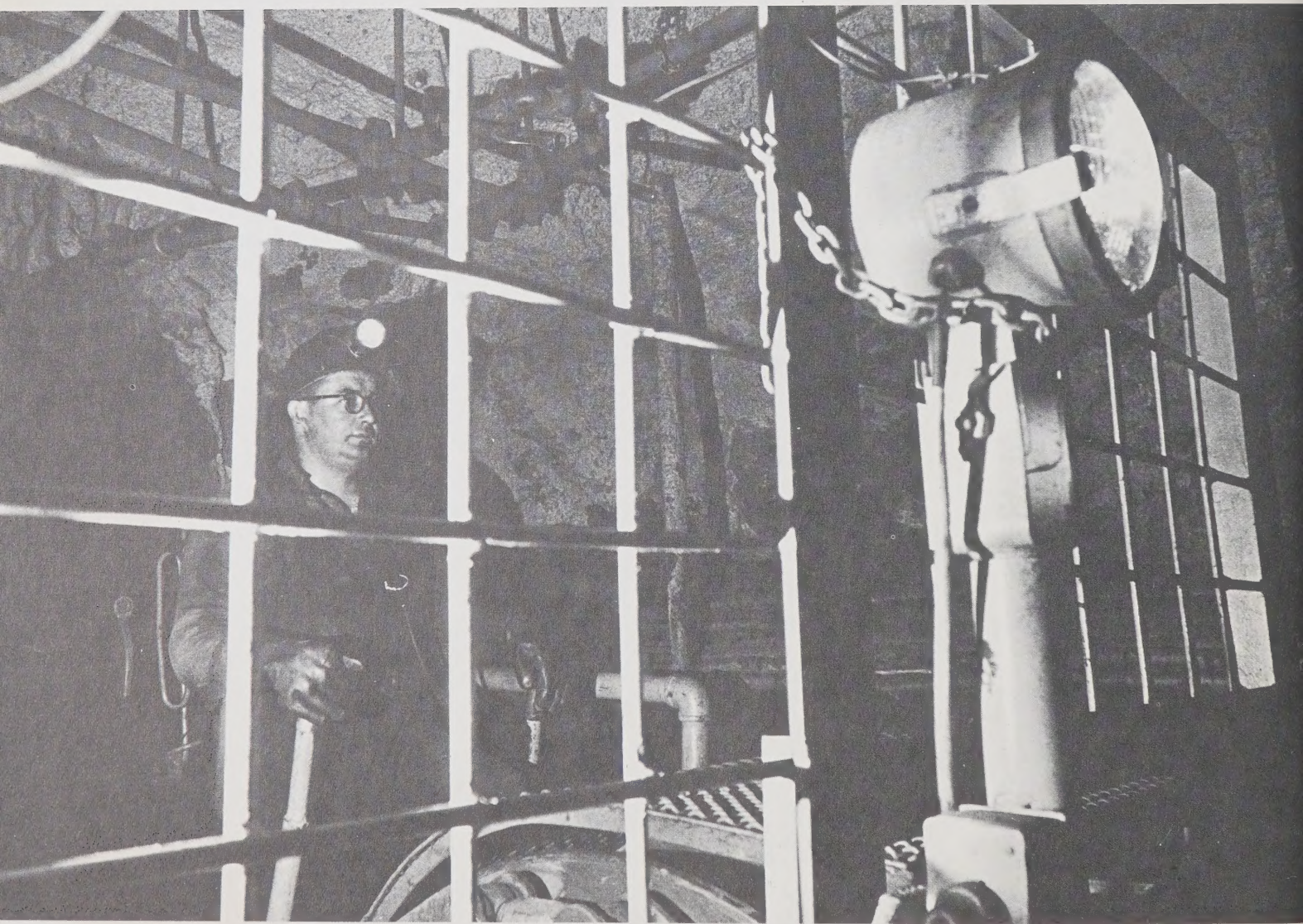
Annual Report



The
International
Nickel
Company
of Canada
Limited

1965

Annual Report



Slusher Operator at Frood-Stobie Mine

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

General Offices: Copper Cliff, Ontario, Canada

Toronto Office: 55 Yonge Street, Toronto 1, Ontario, Canada

INTERNATIONAL NICKEL LIMITED

General Offices: Thames House, Millbank, London, S. W. 1, England

HENRY WIGGIN & COMPANY, LIMITED

General Offices: Thames House, Millbank, London, S. W. 1, England

Hereford Office: Holmer Road, Hereford, England

THE INTERNATIONAL NICKEL COMPANY, INC.

General Offices: 67 Wall Street, New York, N. Y. 10005, U.S.A.

HUNTINGTON ALLOY PRODUCTS DIVISION

New York Office: 67 Wall Street, New York, N. Y. 10005, U.S.A.

Huntington Office: Huntington, West Virginia 25720, U.S.A.

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THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

(As of February 23, 1966)

OFFICERS

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and
Chief Officer*
HENRY S. WINGATE

*President
and
Chairman Executive Committee*
J. ROY GORDON

Honorary Chairman
JOHN F. THOMPSON

Executive Vice-President
ALBERT P. GAGNEBIN

Senior Vice-President
RALPH H. WADDINGTON

Executive Vice-President
JAMES C. PARLEE

Vice-President
RICHARD A. CABELL

Vice-President
THOMAS W. CHILDS, C.B.E.

Vice-President
JOHN A. MARSH

Secretary
WILLIAM F. KENNEDY

Treasurer
F. M. A. NOBLET

Comptroller
WALTER A. MCCADDEN

DIRECTORS

Term Expires 1966

WILLIAM C. BOLENIUS.....Cutchogue, N. Y.
NORRIS R. CRUMP.....Montreal, P. Q.
ALBERT P. GAGNEBIN.....Fair Haven, N. J.
JAMES H. GOSS.....Rye, N. Y.
THE RT. HON. VISCOUNT KNOLLYS, G.C.M.G.,
M.B.E., D.F.C.....London, England
ALLEN T. LAMBERT.....Toronto, Ont.
DONALD H. McLAUGHLIN..San Francisco, Calif.
JAMES C. PARLEE.....Toronto, Ont.
ELLMORE C. PATTERSON.....Bedford, N. Y.
JAMES A. RICHARDSON.....Winnipeg, Man.
R. EWART STAVERT.....Montreal, P. Q.
WILLIAM K. WHITEFORD.....Pittsburgh, Pa.
HENRY S. WINGATE.....New York, N. Y.

Term Expires 1967

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J. ROY GORDON.....New York, N. Y.
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H. C. F. MOCKRIDGE, Q.C.....Toronto, Ont.
THEODORE G. MONTAGUE.....Greenwich, Conn.
THE RT. HON. LORD NELSON OF STAFFORD
London, England
SIR RONALD L. PRAIN, O.B.E....Lusaka, Zambia
GEORGE C. SHARP.....Katonah, N. Y.
JOHN F. THOMPSON.....New York, N. Y.
THE RT. HON. VISCOUNT WEIR, C.B.E.
Glasgow, Scotland
SAMUEL H. WOOLLEY.....Morris Plains, N. J.

EXECUTIVE COMMITTEE

J. ROY GORDON, *Chairman*

R. SAMUEL McLAUGHLIN
H.C.F. MOCKRIDGE, Q.C.
THEODORE G. MONTAGUE

ELLMORE C. PATTERSON
JOHN F. THOMPSON
HENRY S. WINGATE

ADVISORY COMMITTEE

R. SAMUEL McLAUGHLIN, *Chairman*

LANCE H. COOPER, M.B.E.

JOHN F. THOMPSON

J. ROY GORDON

J. C. TRAPHAGEN

H. R. MACMILLAN, C.B.E.

RALPH H. WADDINGTON

SIR OTTO E. NIEMEYER, G.B.E., K.C.B.

HENRY S. WINGATE

COUNSEL

SULLIVAN & CROMWELL OSLER, HOSKIN & HARCOURT LINKLATERS & PAINES

AUDITORS

PRICE WATERHOUSE & Co.

TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY.....Toronto, Ont.
THE ROYAL TRUST COMPANY.....Montreal, P.Q.
MORGAN GRENFELL & Co. LIMITED.....London, England
BANKERS TRUST COMPANY.....New York, N. Y.

REGISTRARS

MONTREAL TRUST COMPANY.....Toronto, Ont.
MONTREAL TRUST COMPANY.....Montreal, P.Q.
LLOYDS BANK LIMITED.....London, England
MORGAN GUARANTY TRUST COMPANY OF NEW YORK.....New York, N. Y.

DIVIDEND DISBURSING AGENTS

BANKERS TRUST COMPANY.....New York, N. Y.
MORGAN GRENFELL & Co. LIMITED.....London, England

Summary

	1965	1964	1963
Net Earnings	\$143,794,000	\$135,768,000	\$106,311,000
Per Share	\$ 4.85	\$ 4.59	\$ 3.60
Dividends	\$ 90,311,000	\$ 81,251,000	\$ 66,295,000
Per Share	\$ 3.05	\$ 2.75	\$ 2.25
Income Taxes	\$ 93,455,000	\$ 66,684,000	\$ 43,622,000
Capital Expenditures	\$ 62,737,000	\$ 44,375,000	\$ 36,032,000
Nickel Deliveries (pounds) ..	492,960,000	444,190,000	350,730,000
Copper Deliveries (pounds) ..	275,880,000	286,530,000	253,550,000
Platinum - Group Metals and Gold Deliveries (troy oz.) ..	510,800	544,800	439,400

Dollar figures in this Report are expressed in United States currency, unless otherwise stated.

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
(INCORPORATED UNDER THE LAWS OF CANADA)

AND SUBSIDIARIES

Copper Cliff, Ontario
February 23, 1966

To the Shareholders:

The Company's net earnings in 1965 were \$143,794,000, or \$4.85 per share, the highest for any year.

Dividends paid to the shareholders were also at a new high of \$90,311,000. In August, the regular quarterly dividend was raised from 62½¢ to 70¢ per share, and in December a year-end extra of 40¢ per share was paid. For the entire year, dividends totaled \$3.05 per share, up 30¢ over the previous year and 80¢ over 1963.

The strong demand for nickel brought the deliveries of our principal product to a record 492,960,000 pounds. Deliveries of copper and of platinum-group metals and gold were somewhat below those of 1964.

With industrial activity at high levels, the total free world consumption of nickel continued to climb, increasing 60,000,000 pounds to an estimated total for 1965 of 730,000,000 pounds.

During the year the Company announced a new nickel mining project in Guatemala.

Also in 1965, the Company was engaged in the development of seven new mines in Ontario and Manitoba. One of these was put into production early in 1966. The others are scheduled to come into production in 1967 and 1968.

Capital expenditures in 1965 totaled \$62,737,000, and are expected to be about \$90,000,000 in 1966.

Highlights

Net Earnings
Reach \$4.85
Per Share

NET EARNINGS

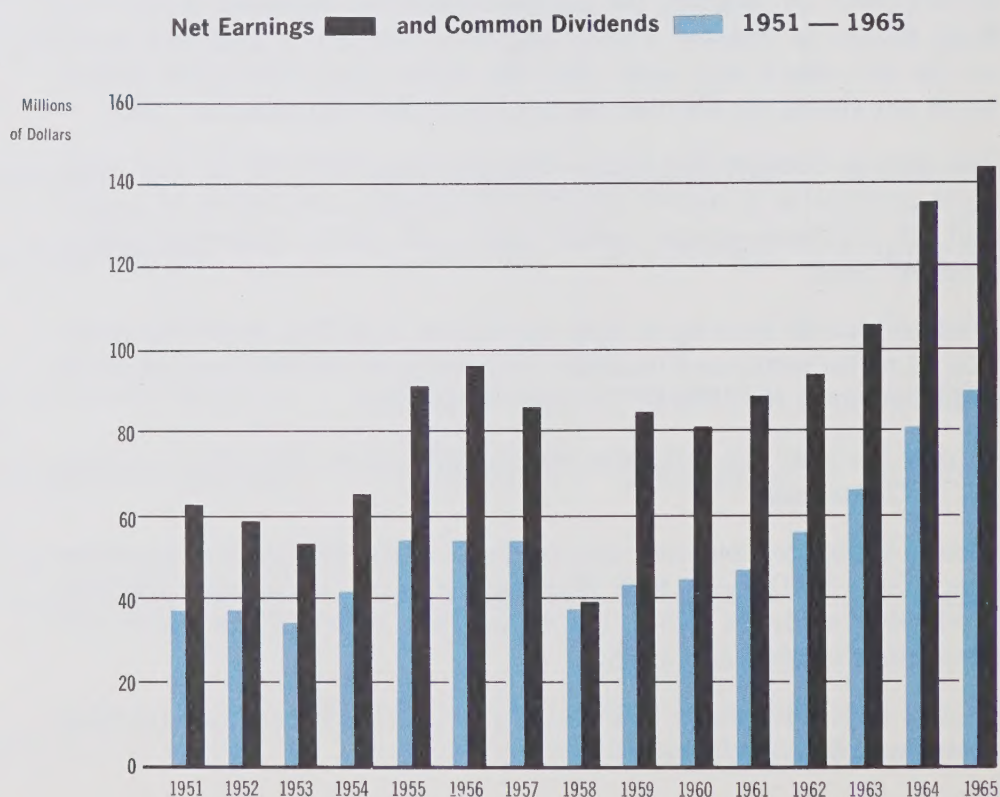
The Company's net earnings for the year were \$143,794,000, compared with the previous record of \$135,768,000 in 1964, and with \$106,311,000 in 1963. The earnings in 1965 are equivalent to \$4.85 per share, compared with \$4.59 in 1964 and \$3.60 in 1963.

The improved earnings resulted principally from our record deliveries of nickel. Higher market prices for copper were also a factor, although deliveries of this metal were somewhat reduced.

Quarterly Dividend
Raised — Year's
Dividends Total
\$3.05 Per Share

DIVIDENDS

The Company paid quarterly dividends of 62½¢ per share in March and June. At the August meeting of the Board the quarterly dividend was raised to 70¢ per share, and this amount was paid in September and December. In December, a year-end extra of 40¢ was also paid, bringing total dividends for the year to a record \$3.05. This compares with the previous high of \$2.75 per share in 1964, and with \$2.25 in 1963. Dividend disbursements in 1965 were \$90,311,000, compared with \$81,251,000 in 1964 and \$66,295,000 in 1963.



DELIVERIES OF METALS

Our deliveries of nickel in 1965 increased to 492,960,000 pounds. This exceeds the former high of 444,190,000 pounds in 1964 by 48,770,000 pounds, and the 1963 deliveries by 142,230,000 pounds.

**Company Delivers
492,960,000 Pounds
of Nickel**

Copper deliveries were 275,880,000 pounds, compared with 286,530,000 pounds in 1964. Deliveries in 1963 amounted to 253,550,000 pounds.

Deliveries of platinum-group metals (platinum, palladium, rhodium, ruthenium and iridium) and gold were 510,800 troy ounces, second only to the 544,800 ounces delivered in 1964. In 1963 deliveries totaled 439,400 ounces.

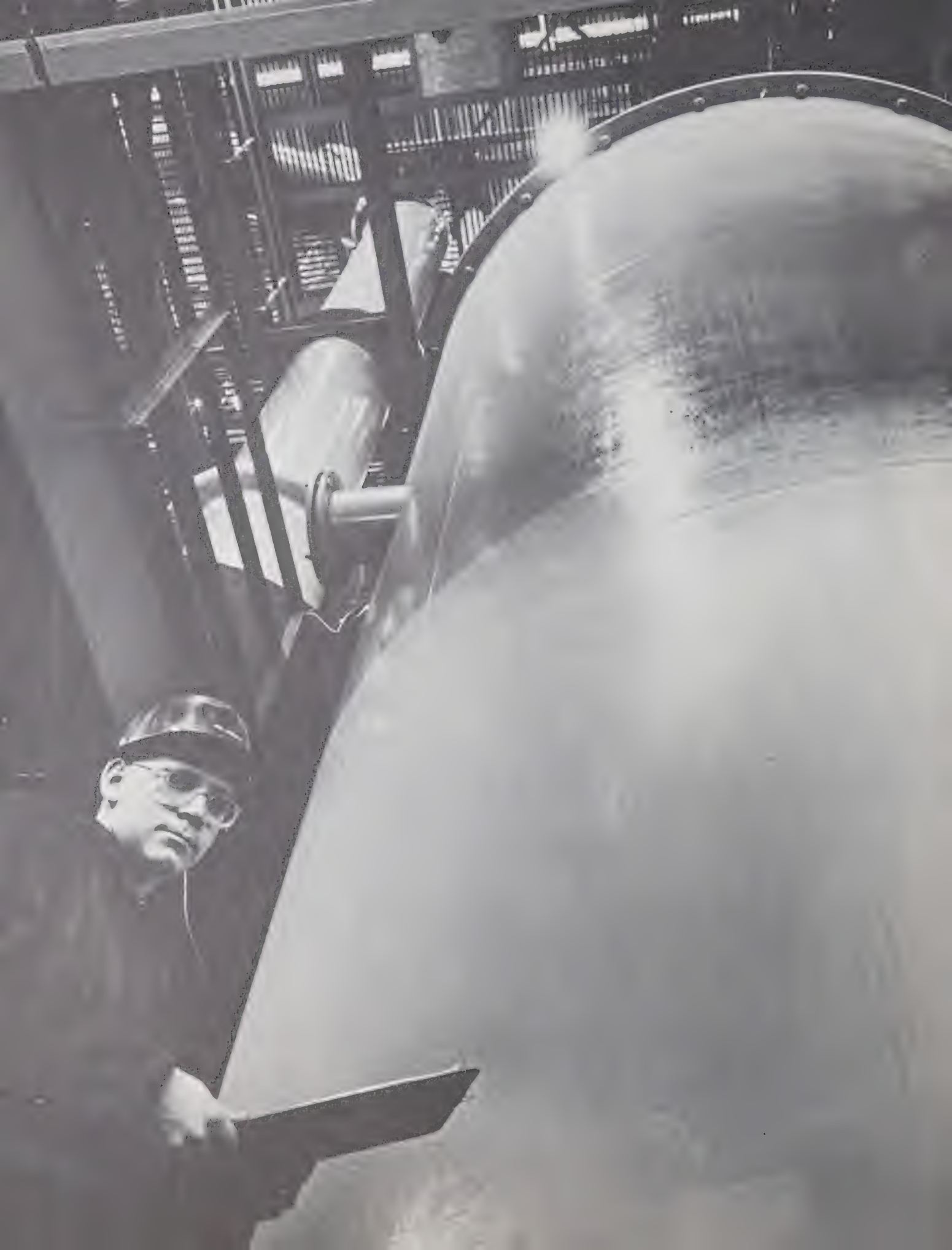
Iron ore deliveries of 889,000 long tons compare with 734,000 tons in 1964 and were almost double those of 1963.

The table below shows the deliveries of our principal metals for the past three years. Selenium, tellurium and sulphur are also recovered from the Company's ores.

DELIVERIES OF METALS

	1965	1964	1963
	POUNDS		
NICKEL			
Primary Nickel*	433,190,000	393,980,000	303,070,000
Nickel in Rolling Mill Products	59,770,000	50,210,000	47,660,000
Nickel in all forms — Total....	492,960,000	444,190,000	350,730,000
COPPER	275,880,000	286,530,000	253,550,000
COBALT	2,020,000	2,750,000	2,150,000
	TROY OUNCES		
PLATINUM-GROUP METALS AND GOLD	510,800	544,800	439,400
SILVER	1,581,000	1,493,000	1,403,000
	LONG TONS		
IRON ORE	889,000	734,000	458,000

* Including salts and chemicals, and rolled bars for electroplating.



NICKEL MARKETS

Nickel consumption in the free world rose to an estimated 730,000,000 pounds, compared with 670,000,000 pounds in 1964. The 1965 consumption was equivalent to more than twice the average annual nickel consumption during the 1950's.

Practically all of the principal industrial countries of the free world contributed to the 1965 growth in nickel consumption. The United States, with consumption of 350,000,000 pounds, accounted for almost half of the year's total. In Canada, the United Kingdom and continental Europe, as well as in other Commonwealth countries, the demand for nickel also reached a higher level than in the previous year, with increases in consumption general throughout all major industries.

In terms of nickel-containing materials, stainless steels accounted for nearly 250,000,000 pounds of the total nickel consumed. The plating industry was second, accounting for more than 110,000,000 pounds. High-nickel alloys, ranking third with approximately 100,000,000 pounds, made the greatest advance in consumption, attributable mainly to their increased use in the chemical, marine, electronic, nuclear power and aerospace fields. Constructional alloy steels accounted for approximately 90,000,000 pounds.

On September 28, the United States Government suspended until June 30, 1967 the 11¼¢ (U.S.) per pound import duty on refined nickel. This saving was passed on to purchasers of refined nickel. With the suspension of the duty, the base price of electrolytic nickel in the United States became 77¾¢ (U.S.) per pound. In Canada and in Europe the market prices for nickel remained unchanged during the year.

Nickel Oxide Sinter 90, a new nickel product, was introduced by the Company to the trade in November at a price lower than that of electrolytic nickel. Containing 90 per cent nickel, the new product is well suited for use as the base charge or final addition in many melting operations in the steel and iron foundry industries. It offers opportunities for cost reduction and other advantages in the production of a large variety of nickel-containing products.

Two other new nickel products introduced by the Company in recent years are "S" electrolytic nickel, which has advantages for electroplating, and a grade of nickel oxide for the chemical industry. These products contributed importantly to the Company's fifth consecutive year of record deliveries of nickel for use in electroplating and for the production of nickel chemicals.

Free World
Nickel Consumption
at 730,000,000 Pounds,
a New High

U. S. Suspends
Import Duty
on Nickel

Company Introduces
New Forms of Nickel

**Nickel Used
in New U.S. Coinage**

During the year the United States Government introduced a new 25-cent coin composed of a sheet of copper sandwiched between layers of cupro-nickel containing 25 per cent nickel. Its action in discontinuing the use of silver, which has been in short supply, dramatized a worldwide trend to replace silver with nickel in coinage. More than 100 countries have pure nickel coins or solid cupro-nickel coins in circulation.

**Company Acquiring
70,000,000 Pounds of
U.S. Government
Surplus Nickel**

Late in 1965, in connection with the United States Government's program for the disposal of its surplus nickel, the Company agreed to purchase from the Government 70,000,000 pounds of this nickel within a five-year period, and to take at least 28,000,000 pounds of this amount by June 30, 1966.

OTHER MARKETS

**Copper in
Short Supply —
Prices Rise**

The demand for copper outstripped supply during the year 1965 and world copper prices rose.

In Canada, the producer price of copper opened the year at 35¢ (Can.) per pound, was increased in May to 38½¢, in November to 40¾¢ and in January 1966 to 45¢ (41.6¢ U.S.), the current price. The Company's deliveries of copper, which is marketed under our "ORC" brand name and at producer prices, went principally to Canada, with the balance going mainly to the United Kingdom.

The producer price outside of North America at the beginning of the year was £260 per long ton (32½¢ U.S. per lb.), with the exception of the price of Chilean copper which was £280 (35¢ U.S.). This producer price, including the price of Chilean copper, was increased in May to £288 (36¢ U.S.), in October to £304 (38¢ U.S.), and in January 1966 to £336 (42¢ U.S.).

On the London Metal Exchange, the spot price for copper in 1965 ranged from a low of £331 per long ton (41.4¢ U.S. per lb.) to a high of £570 (71.3¢ U.S.), and on February 18, 1966 was £680 (85.0¢ U.S.).

In the United States, the price of domestically produced primary copper opened the year at 34¢ and closed at 36¢ per pound. In November most of the U.S. producers posted a further two-cent increase which was later rescinded. Secondary and imported copper, needed to balance demand and supply, sold at substantially higher prices throughout the year.

**Platinum Also
in Short Supply**

Free world consumption of the platinum-group metals continued at a high level in 1965. New and expanding industrial uses, particularly in the chemical, petroleum and electrical-electronic areas, resulted in strong demand for these precious metals throughout the year.



Despite some increases in free world platinum production, this precious metal remained in tight supply. The supply of Russian platinum previously available to the free world has been sharply reduced since 1963.

The average published price for platinum in the United States increased from \$88 to \$98 per troy ounce in January 1965, and remained unchanged. Average published prices of \$33 per troy ounce for palladium and \$183.50 for rhodium prevailed throughout the year. Iridium increased from \$92.50 to \$112.50.

The New York published price for silver remained constant at \$1.293 per troy ounce as the United States Treasury continued its policy of making silver bullion available to consumers at this price level.

Iron Ore Deliveries Reach 889,000 Tons

Deliveries of the Company's iron ore pellets to the steel industries of Canada and the United States reached a record high of 889,000 long tons, reflecting a continued demand for these high-quality pellets. The year 1965 was also the first full year of production at the newly expanded iron ore recovery plant at Copper Cliff.

Royalty-Paying Licensees Produce 1.8 Million Tons of Ductile Iron

Worldwide production of Ductile Iron (S.G. Iron), a new type of cast iron developed in our research laboratories some years ago, increased to an estimated 1,825,000 tons, compared with 1,350,000 tons in 1964. The Company received royalties under patent licenses on all production of Ductile Iron. In addition, about 10,000,000 pounds of nickel were consumed during the year in the production of this important engineering material. The rapid rate of growth of Ductile Iron production reflects the technical sophistication of today's foundry industry.

MINES

Operating Mines Produce 19,750,000 Tons of Ore

Our mines produced at record levels in 1965. Total ore production from our Ontario and Manitoba mines amounted to 19,750,000 short tons, compared with 16,439,000 tons in 1964 and 13,566,000 tons in 1963.

At the end of 1965, underground development in our operating mines had reached a cumulative total of 3,105,000 feet, or about 588 miles.

In Ontario, at the Creighton mine a new shaft was started which will be the deepest continuous mine shaft from surface in the Western Hemisphere. This shaft will be sunk 7,150 feet, or nearly a mile and a half, and will permit the mining of important ore bodies which were located by drilling from underground exploration stations. Also in Ontario, the new MacLennan open pit mine was put into operation during the year.



Exploration near Lake Izabal, Site of Nickel Mining Project in Guatemala

NEW MINE DEVELOPMENT

International Nickel is engaged in a mine expansion program that involves the development of eight new mines.

During the year the Company announced a new nickel mining project in Guatemala. Our majority-owned subsidiary, Exploraciones y Explotaciones Mineras Izabal, S.A. ("Exmibal"), was granted mining rights covering about 150 square miles in the vicinity of Lake Izabal in north-eastern Guatemala. The rights were granted for a term of 40 years. Our subsidiary plans to establish facilities in Guatemala for mining and processing nickel-containing lateritic ores. It is presently engaged in developing financing arrangements and related engineering studies. It is intended that the facilities have an initial annual production capacity of at least 25,000,000 pounds of nickel in a nickel-iron product.

Of the new mines being developed in Canada, five are located in the Sudbury District of Ontario. The Totten mine came into production early in 1966. The four other new mines, Copper Cliff North, Kirkwood, Coleman and Little Stobie, are still in the development stage and are scheduled to start producing in 1967 and 1968.

In Manitoba, two new mines are scheduled to come into production in 1967. At our Birchtree mine near Thompson the development shaft has been completed, and underground development work from this shaft is going forward on several levels. At the new Soab mine, some 40 miles southwest of Thompson, work is proceeding on the sinking of two shafts.

Company Announces New
Nickel Mining
Project in Guatemala

Seven New Mines
Being Developed in Canada

PROCESS RESEARCH AND PLANT IMPROVEMENTS

In addition to the mine expansion program, the Company continued a major capital program involving plant expansion and plant and process improvements. Our research programs have contributed directly to these improvements.

Large New Oxygen Plant Goes Into Operation

International Nickel pioneered the commercial use of oxygen in non-ferrous smelting. Our new oxygen plant, one of the largest such units in operation in the world, went on stream in November, bringing our total oxygen capacity at Copper Cliff to over 1,100 tons per day. The increased output of oxygen will permit important modifications in the Company's nickel and copper smelting operations which will result in higher efficiency and increased throughput rates.

Also at the Copper Cliff smelter, a program is being initiated to replace multi-hearth roasters with more efficient fluid bed roasters. In addition, a program of improvement and expansion of the matte separation facilities is underway.

The new Nickel Oxide Sinter 90 facility at Copper Cliff commenced operation in the latter part of the year and rapidly achieved design capacity.

Process improvements at the iron ore recovery plant provided increased throughput and improved nickel recoveries.

At Thompson, research has resulted in the development of a new electrolyte purification system for use in connection with the refining of nickel. This new system is being installed and will substantially increase the productive capacity of the refinery.

Major Modernization Project Underway at Clydach Refinery

At our nickel refinery in Clydach, Wales, a major modernization project is underway. This involves a departure from techniques which the Company has previously employed in the reduction and volatilization phases of the carbonyl extraction process for producing refined nickel in pellet or powder form. This project is scheduled for completion in the latter part of 1966. Also at Clydach, a high-capacity unit capable of producing a range of carbonyl nickel powders was installed, and high production rates have been achieved.

At our platinum-group metals refinery in Acton (London), England, progress was made in introducing improved refining processes to meet the demand for the high-purity precious metals which are increasingly needed in modern technology.

The Company's research laboratories continued their work on process improvements, with emphasis on the economic recovery of metals from marginal ores.

At the Company's research and pilot plant stations at Port Colborne, Ontario, significant success has been achieved in new process development for the economic recovery of nickel from oxide nickel ores.

Work continued on our new research laboratory in the Sheridan Park Ontario Research Community near Toronto. This laboratory will open in 1966 and will be devoted principally to developing new and improved methods in extractive metallurgy. This laboratory will also be used to conduct geophysical and geological research, as well as product research aimed at developing new applications for nickel.

New Laboratory
Near Toronto
To Open in 1966

PRODUCT RESEARCH AND MARKET DEVELOPMENT

Anticipating the expansion in the world supply of nickel and recognizing the long lead time required to develop important markets, International Nickel went forward with its product research, market development and sales promotion activities.

Company Developing
New Nickel Products,
New Markets —

A research achievement of the past year was our development, to the pilot plant stage, of a process for continuously coating steel with nickel. The nickel is applied in the form of a slurry containing nickel powder and is dried and sintered to the surface of steel sheet or strip. The new process will provide manufacturers with a coated steel product having corrosion resistance and other advantages. The development could open an entirely new market for nickel in powder form.

Steel Coated
with Nickel Powder

A new high-strength age-hardening steel containing copper and 1 per cent nickel, which was developed in our laboratories, found its first commercial application. This new steel, with its unique fabricability and simplicity of heat treatment, is expected to contribute to the trend towards the design of structures of higher strength and lower weight.

Nickel-Copper
Age-Hardening Steel

The family of nickel maraging steels continued to show very satisfactory growth. New applications for these steels ranged from die-casting dies to spectacular missile booster cases. The Company also continued research looking to the development of even higher strength properties for maraging steels.

Maraging Steels

At the same time, the Company continued to promote 9 per cent nickel steel for cryogenic use. New markets for this steel, also the result of International Nickel research, are being opened with recent advances in

9% Nickel Steel

the use of liquefied nitrogen gas as a refrigerant for freezing and shipping food products. In addition, facilities for the storage of liquid natural gas to meet peak demands, and for the transportation of liquefied natural gas from areas of surplus to fuel-short areas, provided increased markets for this steel.

Copper-Nickel Alloys

Other market development activities in 1965 were directed toward the use of copper-nickel alloys in land-based and shipboard plants for the conversion of salt water into fresh water. Desalination, as well as the increasingly important worldwide programs planned for underwater exploration and for the establishment of complex undersea communications systems, highlighted the importance of reliable information on the behavior of alloys in sea water. The technical information concerning nickel alloys in this environment, accumulated over many years at the Company's Harbor Island Corrosion Laboratory in North Carolina, is proving particularly valuable.

Nickel Alloys for Nuclear Power Plants

Another promising field for large amounts of nickel is in nuclear power plants. During the year, nuclear power plants were under construction in the United Kingdom, the Benelux countries, West Germany, Italy, Spain, Sweden and Switzerland, as well as in the United States and Canada. These plants utilize reactor systems which make wide use of nickel stainless steels and nickel-chromium alloys.

Stainless Steel Architectural Products

An example of our promotional activities is our comprehensive program in the United States designed to establish a preferred position for stainless steel architectural products. This program in 1965 included the publication of guide specifications for windows and curtain walls, the distribution to major architectural firms of the first of a four-volume architect's library containing samples of various finishes, and a series of symposia attended by architects and fabricators.

Names of Overseas Companies Changed

During the year, the name International Nickel was made part of the corporate names of our market development companies in Europe, Africa, Asia and Australasia in order to identify them more closely with the Company. In the order of their founding, they are located in France, West Germany, Belgium, Italy, India, Switzerland, South Africa, Australia, Spain and, early in 1966, Sweden.

EXPLORATION

Our worldwide search for new mineral deposits was pursued aggressively in 1965. Expenditures amounted to \$12,328,000, compared with \$7,589,000 in 1964. The 1965 total includes \$10,117,000 spent in Canada.

With our mine expansion program underway, the tempo of underground exploration was substantially increased at all operating and developing mines. Deep-level exploration projects below the 4000-foot level were initiated at the Copper Cliff North and Murray mines.

Exploration for
Mineral Deposits
Covers World

Extensive surface exploration programs were carried out in Ontario, Manitoba, Quebec, Saskatchewan and the Northwest Territories. An exploration office was opened in Vancouver to facilitate field investigations in British Columbia.

The Company is currently participating with others in bringing into production a small molybdenum operation in British Columbia and in exploring a potash property in Manitoba. In addition, numerous other properties throughout Canada were examined.

Outside of Canada, exploration continued in Africa, Australia, Guatemala, the South Pacific and the United States.

ORE RESERVES

The proven ore reserves of the Company's Sudbury District and Manitoba mines were 306,203,000 short tons at December 31, 1965, with a nickel-copper content of 9,274,000 short tons. At the end of 1964, the proven ore reserves stood at 303,767,000 short tons, with a nickel-copper content of 9,196,000 short tons.

ROLLING MILL DIVISIONS

The Company's rolling mill divisions in the United States and the United Kingdom delivered 89,500,000 pounds of nickel and high-nickel alloys, exclusive of rolled bars for electroplating. This compares with 76,340,000 pounds delivered in 1964.

Deliveries of
Rolling Mill Products
Up 17 Per Cent

At Hereford, England, in this first year following the complete concentration at this plant of the Company's United Kingdom rolling mill operations, production activities were directed to the consolidation of standard operating procedures. Equipment installed as part of the program was brought into full operation, with significant improvement in productivity.

At the Huntington, West Virginia, plant, the new primary rolling mill and forging press went into regular operation during the year, and the first rolled plates produced in Huntington were processed through the

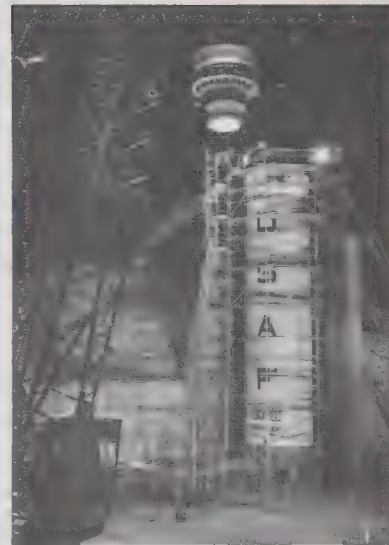
Rolling Mill
Facilities Improved
and Expanded

NICKEL AT WORK IN TODAY'S WORLD

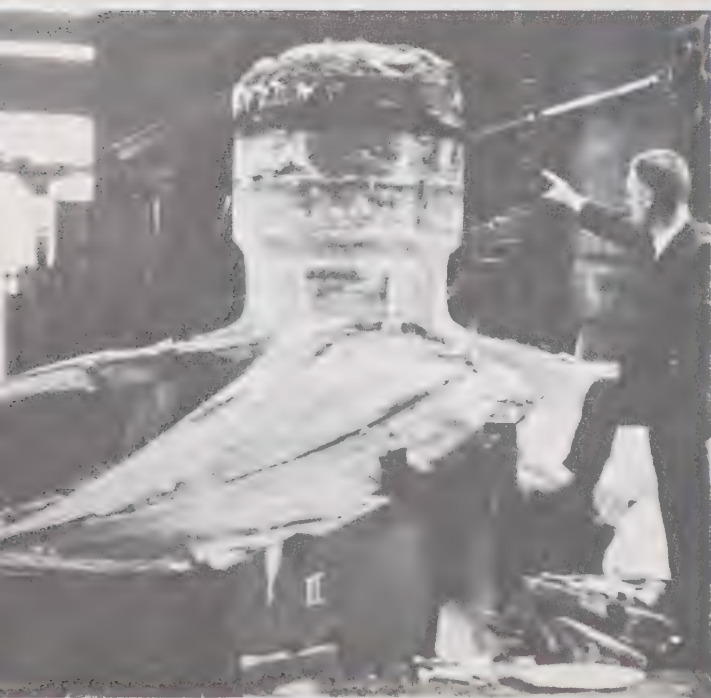
Alone and in literally thousands of alloys, versatile nickel serves mankind in a great diversity of industrial and consumer products, a few of which are shown here.



Welding 9 per cent nickel steel tank for storing liquefied natural gas at cryogenic temperatures.



Solid fuel rocket case for aerospace, made of high-strength 18 per cent nickel maraging steel.



Cast nickel-aluminum bronze propellers help ships to attain greater power and higher speeds.

Products diverse as coffee pots and printing plates are made of nickel by the electroforming process.



The cordless electric appliance era is made possible by rechargeable nickel-cadmium batteries.

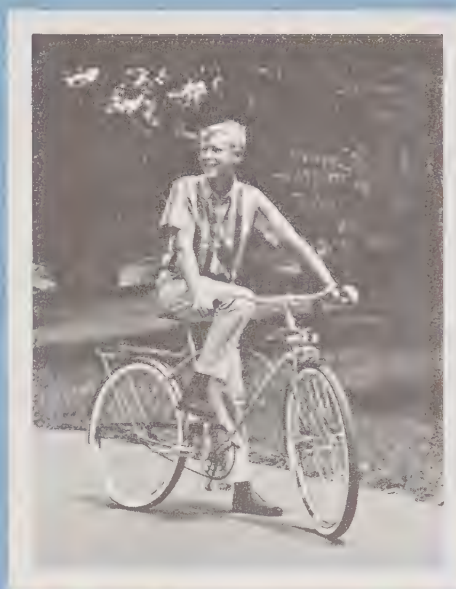
The London Post Office Tower typifies expanding use of nickel stainless steel in architecture.





Top: Gas turbine engines for aircraft, ships, land vehicles and on-site power generation make wide use of high-temperature nickel-base alloys.

Designers rely on nickel stainless steel for safe, lightweight, attractive rail and rapid transit cars.



Nickel-chrome plating gives automobiles, appliances and bicycles bright, durable finish.

Farm machinery and off-road equipment perform better with nickel alloy steel gears and shafts.



Desalination plants use miles of copper-nickel tubing in making potable water from sea water.



new mill. Work continued on the new strip facilities which are expected to be completed in 1966. Toward the end of the year improvement and expansion of the cold drawing facilities were started, which will increase the plant's capacity to produce long-length tubing. Plans were announced for the construction of a new mill and related facilities for the production of hot rolled bars and wire rods.

The special-projects facility at Burnaugh, Kentucky, was put into limited operation in the latter half of the year. It will concentrate on the development of specialized nickel-base alloys.

In marketing, a new International Nickel affiliate, Nickel Alloys International S.A., was established in Belgium as a sales and warehousing organization to service the market in continental Europe for nickel alloys produced by our rolling mill divisions. This new company will stock standard wrought products of both the Hereford and Huntington plants, and will sell the products of both plants through the same distributors.

CAPITAL EXPENDITURES

Capital Expenditures
Total \$62,737,000

Capital expenditures of \$62,737,000 during the year were the highest they have been since 1960. They compare with \$44,375,000 in 1964, and \$36,032,000 in 1963.

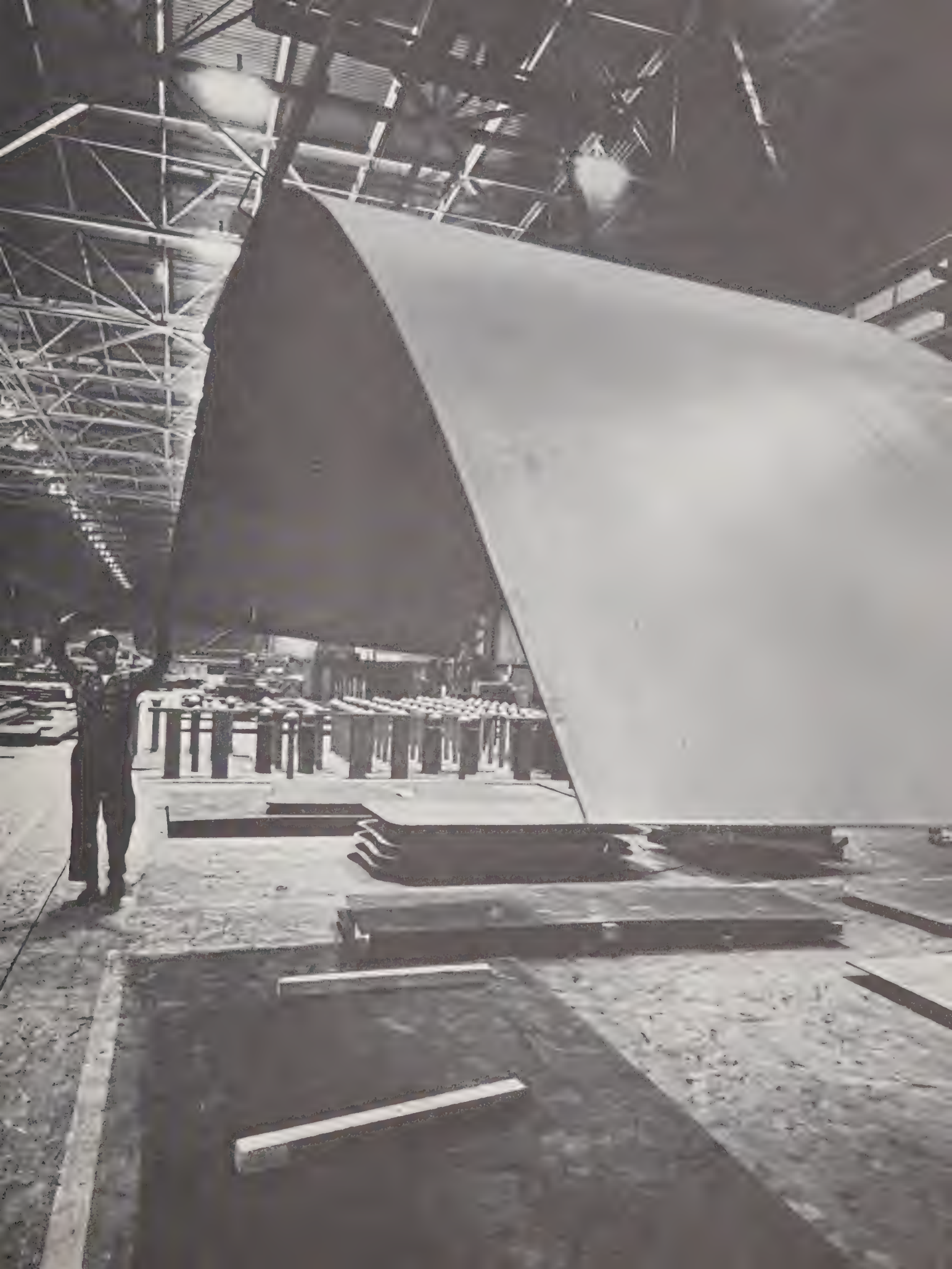
In 1965 capital expenditures included \$23,421,000 for expansion and improvement of our smelting and refining plants in Canada and the United Kingdom. Mine development expenditures in Ontario and Manitoba totaled \$17,268,000. New facilities in our rolling mills in the United States and the United Kingdom accounted for \$17,611,000. Outlays of \$1,469,000 were made on our product research laboratories, and the balance of \$2,968,000 was expended for other capital items.

Capital expenditures in 1966 are estimated at about \$90,000,000.

EMPLOYEES

32,512 Employees in
14 Countries

At the end of 1965, the Company and its subsidiaries had 32,512 employees distributed over 14 countries as follows: Canada, 22,455; United Kingdom, 5,810; United States and other countries, 4,247. Of these, 3,930 have served more than 25 years and are members of the Company's Quarter Century Club.



At December 31, 1965 there were 3,416 former employees and beneficiaries receiving pensions under the Company's Retirement System and other pension plans.

SHAREHOLDERS

Shareholders
Number 65,965

The number of shareholders of record at December 31, 1965 was 65,965, compared with 63,993 at the previous year-end.

MANAGEMENT CHANGES

At the meeting of the Board of Directors on April 21, 1965, J. Roy Gordon, President, was elected to the additional office of Chairman of the Executive Committee. Ralph H. Waddington, Senior Vice-President, was elected to serve also as a member of the Advisory Committee.

On June 7, 1965, Albert P. Gagnebin and James C. Parlee, Executive Vice-Presidents, were elected Directors of the Company.

On December 6, 1965, Samuel H. Woolley, President and Chief Executive Officer of The Bank of New York, was elected a Director of the Company.

On February 7, 1966, The Rt. Hon. Lord Nelson of Stafford, Chairman and Chief Executive Officer of The English Electric Company, Limited, and a Director of the Bank of England, was elected a Director of the Company.

The Board of Directors has recorded its appreciation of the distinguished services and notable contributions to the progress of the Company made by these three members who during the year relinquished their offices as Directors:

J. C. Traphagen, Trustee and member of the Executive Committee of The Bank of New York, and a Director of the Company since 1943;

Sir Otto E. Niemeyer, G.B.E., K.C.B., of London, England, a Director of the Company since 1949;

H. R. MacMillan, C.B.E., a director of timber and other companies, and a Director of the Company since 1940.

All three continue to serve the Company as members of the Advisory Committee.

The Company suffered a sad loss on December 24, 1965, in the death of The Rt. Hon. Viscount Margesson, P.C., M.C., a Director since 1945. In tribute to Lord Margesson, the Board of Directors at its January 3, 1966 meeting recorded the following in the permanent records of the Company :

The Chairman spoke of Lord Margesson's distinguished service as a cavalry officer in the First World War and of his long and outstanding political career in which he displayed great energy, zeal and unbending discipline as a founder of the modern Conservative Party and its Whip for nearly ten years. During the Second World War, Sir Winston Churchill appointed Lord Margesson his Secretary of State for War, which post he held until 1942. On motion duly made and unanimously carried, the following resolution was thereupon adopted:

RESOLVED, that the Board of Directors of The International Nickel Company of Canada, Limited record with deep sorrow the death of their distinguished fellow Director, Lord Margesson. During the more than twenty years he was a Director of this Company, Lord Margesson's deep and active interest in the affairs of the Company, particularly in the United Kingdom, coupled with his warm personality, earned for him the respect and affection of the Directors and Officers of the Company. In Lord Margesson's death the United Kingdom has lost an outstanding citizen, the Company a strong advisor of unfaltering loyalty, and the Directors a sincere friend.

ANNUAL MEETING

The Chairman will make an oral report to shareholders at the Annual Meeting which will be held in Toronto, Ontario, on April 20, 1966. The Chairman's Address will be printed and mailed to the shareholders.

OUTLOOK

We have completed another fine year. Our earnings and our dividend payments to shareholders reached new highs. Our services to industry throughout the free world, as measured by our deliveries of nickel and by the assistance we give to the enlargement of markets for nickel-containing products, were greater than in any previous year. And our contributions to the Canadian economy, in the form of payrolls, employment, taxes, purchases of supplies and services, and foreign exchange, were the greatest in our history.

We were able to make these contributions because over the years our operations have been profitable and we have conducted a continuing systematic search for new nickel deposits in Canada and throughout the free world, and where practical, have developed those we have found.

At the same time, we have carried on extensive research and pilot plant studies on mining methods and metallurgical processes, both to keep costs down and to transform marginal nickel mineralizations into ores of economic value.

In this connection, it is relevant to note that the Company and its predecessors have been engaged in mining in the Sudbury District for 80 years. We are today mining more ore from our deposits there than ever before. And at Thompson a thriving modern community has replaced the wilderness of less than a decade ago. When the Thompson project was announced we said that our operations in northern Manitoba would extend well into the 21st century and our experience confirms this judgment.

Symbolic of the professional determination of our process research staff to wrest the maximum possible number of elements from our ores is the perfection in our laboratories in 1965 of a process to recover the sixth and last remaining platinum-group metal, i.e., osmium. Thus we have started, if only on a modest scale, the recovery of a fifteenth element.

For us as a mining company, our investment in exploration, mine development and process research has been, and will continue to be, an increasingly high risk investment, for it is impossible to predict what value will result from the money and efforts spent. Furthermore, all the funds that have enabled us to continue to finance these expenditures have come from the revenues of the Company. At the same time, the incentives which Canada offers to mining ventures have greatly encouraged and aided us in making these expenditures. Thus these incentives reinforced our resolve in 1958 to continue at full speed with the development of our Thompson mining project, notwithstanding the sharp decline in free world consumption of nickel and in the Company's nickel deliveries.

If we are to continue to grow and to enlarge our economic contributions, we must be in a position aggressively to carry forward our search for new nickel deposits and to develop improved mining and production processes, not only in the interests of our shareholders and our employees and their families but also in the public interest.

Turning to the outlook for 1966, we expect to have an especially active year.

We are planning to spend about \$90,000,000 in capital expenditures alone, the largest amount for any year in our history. The capital program includes the sinking of a total of eight shafts at our Coleman, Kirkwood,

Little Stobie, Frood-Stobie, Totten and Soab mines. We will be constructing a new 22,500-ton per day concentrator adjacent to our Frood-Stobie mine to serve the Frood-Stobie and the new Little Stobie mines. The new 7,150-foot shaft at the Creighton mine is expected to reach a depth of 3,000 feet by the end of the year. At the Birchtree mine, the production shaft and the surface plant will be completed, and the mine readied for production early in 1967. And we will be moving forward on our new Guatemalan nickel mining project.

Our deliveries of nickel in 1966, including substantial amounts of nickel which will have been acquired from the United States Government, are expected to continue at the high levels of 1965 and late 1964. The slackening in industrial activity in late 1965 which many thought possible has not taken place. As a result, our deliveries of nickel in the last quarter of 1965 and in the first two months of the new year have held at record levels.

All in all, barring unforeseen developments, 1966 should be another excellent year for the Company and for nickel.

BY ORDER OF THE BOARD OF DIRECTORS,

HENRY S. WINGATE

Chairman

J. ROY GORDON

President

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

AND WHOLLY OWNED SUBSIDIARIES

Consolidated Assets and

	1965	1964
CURRENT ASSETS		
Cash	\$ 24,454,000	\$ 24,624,000
Government and Other Securities	152,050,000	128,490,000
Accounts Receivable less provision for doubtful accounts	102,432,000	93,902,000
Inventories of finished and in process metals, and supplies	211,270,000	190,384,000
	<u>490,206,000</u>	<u>437,400,000</u>
 SECURITIES HELD FOR PENSION PLANS	 6,882,000	 6,524,000
 OTHER ASSETS		
Miscellaneous Securities	3,235,000	3,233,000
Charges to Future Operations	788,000	1,055,000
	<u>4,023,000</u>	<u>4,288,000</u>
 PROPERTIES, PLANT AND EQUIPMENT	 892,460,000	 835,842,000
Less — Depreciation and Depletion	406,732,000	385,571,000
	<u>485,728,000</u>	<u>450,271,000</u>
	<u>\$ 986,839,000</u>	<u>\$ 898,483,000</u>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

HENRY S. WINGATE }
J. ROY GORDON } *Directors*

Liabilities December 31, 1965

EXPRESSED IN UNITED STATES CURRENCY

	1965	1964
CURRENT LIABILITIES		
Accounts Payable and Payrolls	\$ 52,234,000	\$ 41,469,000
Taxes based on Income	62,797,000	53,893,000
	<u>115,031,000</u>	<u>95,362,000</u>
PROVISIONS FOR		
Future Income Taxes	68,700,000	58,000,000
Pension Plans	6,882,000	6,524,000
Exchange, Insurance and Operating Purposes.....	25,307,000	25,148,000
	<u>100,889,000</u>	<u>89,672,000</u>
CAPITAL		
Common Shares		
Authorized 36,000,000 shares without nominal or par value. Issued 29,639,975 shares (1964—29,573,419 shares).....	83,945,000	79,958,000
Capital Surplus	61,036,000	61,036,000
Retained Earnings and Capital Gains Employed in the Business	625,938,000	572,455,000
	<u>770,919,000</u>	<u>713,449,000</u>
	<u>\$ 986,839,000</u>	<u>\$ 898,483,000</u>

*The explanatory financial section on pages 31 to 35 is an integral part of this statement.
The Auditors' Report appears on page 36.*

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

AND WHOLLY OWNED SUBSIDIARIES

Consolidated Earnings for the Year Ended December 31, 1965

EXPRESSED IN UNITED STATES CURRENCY

	1965	1964
NET SALES	\$ 634,807,000	\$ 572,070,000
COSTS AND EXPENSES		
Costs	343,188,000	310,308,000
Selling, General and Administrative Expenses	30,323,000	30,110,000
	<u>373,511,000</u>	<u>340,418,000</u>
OPERATING EARNINGS before items shown below.....	261,296,000	231,652,000
OTHER INCOME	8,201,000	4,204,000
	<u>269,497,000</u>	<u>235,856,000</u>
PROVISION FOR		
Taxes based on Income	93,455,000	66,684,000
Depreciation and Depletion	26,532,000	27,457,000
Pension Plans	5,716,000	5,947,000
	<u>125,703,000</u>	<u>100,088,000</u>
NET EARNINGS	\$ 143,794,000	\$ 135,768,000
Net Earnings per Common Share.....	\$4.85	\$4.59
Shares outstanding at end of year.....	29,639,975	29,573,419

Consolidated Retained Earnings and Capital Gains Employed in the Business

EXPRESSED IN UNITED STATES CURRENCY

	1965	1964
BALANCE AT BEGINNING OF YEAR	\$ 572,455,000	\$ 517,938,000
NET EARNINGS	143,794,000	135,768,000
	<u>716,249,000</u>	<u>653,706,000</u>
DIVIDENDS PAID ON COMMON SHARES	90,311,000	81,251,000
BALANCE AT END OF YEAR	\$ 625,938,000	\$ 572,455,000

The explanatory financial section on pages 31 to 35 is an integral part of these statements.

Explanatory Financial Section

GENERAL

The financial statements consolidate the accounts of the Company and wholly owned subsidiaries in Canada, the United Kingdom, the United States and other countries. For convenience, comparative figures are also shown for the preceding year, and figures are stated to the nearest thousand dollars.

As in past years, the statements are expressed in United States currency, conversions from other currencies having been made at applicable rates and in accordance with the Company's regular accounting practice. The Canadian dollar remained within the Government of Canada official limits, 91½¢-93½¢ (U.S.), and the mean of 92½¢ has been used for conversions where applicable. Sterling remained within the Bank of England official limits, \$2.78-\$2.82 (U.S.), and the mean of \$2.80 has been used for conversions where applicable.

NET SALES

In 1965 net sales totaled \$634,807,000 as compared with \$572,070,000 in 1964, an increase of \$62,737,000. The increase in deliveries of nickel was the principal factor responsible for the increase in 1965 net sales. Higher prices for other metals also contributed to the increase in net sales.

COSTS AND EXPENSES

In 1965 costs and expenses totaled \$373,511,000 as compared with \$340,418,000 in 1964, an increase of \$33,093,000. Selling, general and administrative expenses for 1965 include directors' remuneration of \$845,000, including salaries of officers who are directors.

OTHER INCOME

Other income included in earnings comprised:

	1965	1964
Interest	\$7,863,000	\$3,920,000
Dividends	335,000	259,000
Net gain on disposal of assets	3,000	25,000
Total	<u>\$8,201,000</u>	<u>\$4,204,000</u>

WORKING CAPITAL

The increase in working capital for the year amounted to \$33,137,000, comprising an addition of \$52,806,000 in current assets offset by an increase of \$19,669,000 in current liabilities. The changes in working capital are summarized as follows:

Working capital at beginning of year		\$342,038,000
Additions:		
Net sales	\$634,807,000	
Other income	8,201,000	
Issue of shares under stock option plan	3,987,000	646,995,000
		<u>989,033,000</u>
Deductions:		
Costs and expenses, and pension provisions		
(less \$1,664,000 of provisions for insurance		
and operating purposes)	\$377,563,000	
Taxes based on income		
(less \$10,700,000 of future taxes)	82,755,000	
Capital expenditures	62,737,000	
Dividends paid on common shares	90,311,000	
Other	492,000	613,858,000
Working capital at end of year		<u>\$375,175,000</u>

GOVERNMENT AND OTHER SECURITIES

Government and other securities are carried at cost, which approximated market values at each year-end. Securities included in working capital comprised:

	December 31, 1965	December 31, 1964
Time deposits and government and prime commercial securities maturing within twelve months	\$133,247,000	\$109,722,000
Government and prime commercial securities maturing after twelve months	18,803,000	18,768,000
Total government and other securities	<u>\$152,050,000</u>	<u>\$128,490,000</u>

INVENTORIES

Inventories included in working capital comprised :

	December 31, 1965	December 31, 1964
Metals, finished and in process . . .	\$177,171,000	\$158,630,000
Supplies	34,099,000	31,754,000
Total inventories	<u>\$211,270,000</u>	<u>\$190,384,000</u>

Following the Company's regular accounting practice, values are based on the lower of cost or market prices; cost for metals is production or purchase cost, and for supplies is average purchase cost. Inventory quantities were adjusted from time to time throughout the year to physical stock-takings. At the end of the year there were no substantial purchase commitments at prices in excess of market levels.

PROPERTIES, PLANT AND EQUIPMENT

Changes in these accounts during the year are summarized as follows :

	Properties, Plant and Equipment	Depreciation and Depletion	Net
Balance at beginning of year . . .	\$835,842,000	\$385,571,000	\$450,271,000
Additions	62,737,000	26,532,000	36,205,000
	<u>898,579,000</u>	<u>412,103,000</u>	<u>486,476,000</u>
Retirements	6,119,000	5,371,000	748,000
Balance at end of year	<u>\$892,460,000</u>	<u>\$406,732,000</u>	<u>\$485,728,000</u>

Properties acquired in 1918 from a predecessor company are taken at cost measured by the par value of stock issued for stock of that company; an ore body discovery is at value fixed by the Directors in 1923; properties owned by International Nickel Limited prior to its merger, January 1, 1929, are at the valuation established by its Directors and appearing in their report to shareholders for the eight months' period ended December 31, 1928; other items are at cost.

The established policy relative to depreciation and depletion was continued during the year and provisions were made which, in the judgment of the management, will result in accumulated provisions adequate to offset, at the expiration of the estimated economic lives of the properties, the recorded cost of the investment in properties, plant and equipment. This policy is supported by studies made periodically of such lives of the properties. The total provision for the year of \$26,532,000 includes depreciation of \$23,358,000 and depletion of \$3,174,000. At the end of the year, the accumulated provisions were \$308,065,000 for depreciation and \$98,667,000 for depletion.

TAXES BASED ON INCOME

During the year \$93,455,000 was provided for taxes based on income, of which \$75,348,000 was for Canadian taxes and \$18,107,000 principally for United Kingdom and United States taxes.

The provision for taxes is \$26,771,000 higher than in 1964, attributable principally to both an increase in earnings in 1965 and lower tax-exempt earnings in Canada under the three-year "new mines" exemption provided by the Canadian Income Tax Act. The "new mines" exemption terminated for our Thompson mine on June 14, 1964 and for our Clarabelle mine on April 30, 1965. Our relatively small Crean Hill and MacLennan mines have been approved as tax-exempt mines for the three-year periods which began September 1, 1964 and May 1, 1965, respectively.

The provision for taxes recognizes the depreciation recorded in the accounts in conformity with the Company's regular accounting practice. However, in accordance with tax regulations of Canada, the United Kingdom and the United States, depreciation deductions for tax purposes have been made in amounts greater than the provisions for depreciation in the accounts. As a result \$10,700,000 of the provision for taxes has been carried to the separate account for future income taxes which aggregated \$68,700,000 at the end of the year. In future years this account will decrease at such times as depreciation deductions for tax purposes are less than provisions for depreciation in the accounts.

At the end of the year, the current liability for taxes, after required prepayments during the year, was \$62,797,000.

PENSION PLANS

In addition to assets held in Trust Funds by Trustees under Company pension plans, the Company held \$6,882,000 of securities at the year-end, representing the amount set aside for pension plan benefits payable directly by the Company. A summary of pension plan transactions during the year follows:

Balance at beginning of year		\$ 6,524,000
Add: Provision from earnings.....		5,716,000
		<hr/>
		12,240,000
Deduct:		
Contributions paid to Trustees	\$4,952,000	
Benefits paid directly by the Company	406,000	5,358,000
		<hr/>
Balance at end of year		<u><u>\$ 6,882,000</u></u>

PROVISIONS FOR EXCHANGE, INSURANCE AND OPERATING PURPOSES

Changes in these provisions during the year were as follows:

Balance at beginning of year		\$25,148,000
Add provision for:		
Self-insurance	\$ 1,000,000	
Operating purposes	664,000	1,664,000
		<hr/>
		26,812,000
Deduct: Currency exchange adjustments ..		1,505,000
		<hr/>
The year-end provisions are:		
Self-insurance	\$12,000,000	
Exchange	6,764,000	
Operating purposes	6,548,000	
		<hr/>
Balance at end of year		\$25,307,000
		<hr/>

CAPITAL

The Key Employees Stock Option Plan, ratified by shareholders at the Annual Meeting on April 24, 1957, authorizes the granting of options on 700,000 unissued common shares at prices not less than 95% of the fair market value on the day the option is granted. The options are exercisable in installments beginning one year after date of grant over a period not exceeding ten years from the date of grant.

During the year the Company issued 66,556 shares upon the exercise of options, and the payment to the Company of the option prices for such shares aggregated \$3,987,000. No options to purchase stock were granted in 1965 and options for 930 shares expired during the year. As of December 31, 1965, options for a total of 471,925 shares had been exercised, 65,710 shares were available for future grants of options and 162,365 shares were subject to outstanding options, including 34,700 shares for officers, as follows:

Date of Grant	Option Price Per Share	Shares for Officers	Total Shares
September 1956	\$50.875	3,000	7,575
January 1958	34.625	—	294
November 1959	47.00	2,000	6,850
April 1960	49.75	4,200	7,660
March 1961	63.00	—	18,422
November 1961	72.50	25,500	94,868
December 1962	58.50	—	26,596
		<hr/>	<hr/>
		34,700	162,365
		<hr/>	<hr/>

Capital surplus was unchanged during the year. It includes \$11,664,000 representing the amount received in 1930 for common shares in excess of the capital value assigned thereto, this amount being "distributable surplus" as defined by the Canada Corporations Act.

Auditors' Report

*To the Shareholders of
The International Nickel Company of Canada, Limited:*

We have examined the financial statements appearing on pages 28 through 35 of this report. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The International Nickel Company of Canada, Limited and wholly owned subsidiaries at December 31, 1965 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & Co.

February 23, 1966

Trust Funds

Retirement System and Other Pension Plans

There are five irrevocable Trust Funds in Canada, the United States and the United Kingdom to implement the Retirement System and other pension plans for the Company's employees. While the accounts of these Trust Funds are separate and distinct from the accounts of the Company and its subsidiaries, a summary of the audited accounts of the five funds appears in the ensuing paragraph for general information purposes.

At the beginning of the year Government bonds and other marketable securities, at cost, and cash and other assets in the hands of the Trustees aggregated \$165,284,000. During the year total contributions paid to the Trustees by the Company and employees were \$5,194,000, income from investments was \$9,893,000, and Retirement System and other pension plan benefits of \$5,505,000 were paid from the Trust Funds. These figures are expressed in United States currency, and exchange adjustments during the year resulted in a decrease of \$195,000 in terms of that currency. Accordingly, on December 31, 1965 the Trustees had assets in hand of \$174,671,000.

At February 23, 1966 the Trustees of the three Canadian Trust Funds and of the United States and British Funds were:

CANADIAN FUNDS

G. Arnold Hart, Montreal, P.Q.
R. Samuel McLaughlin, Oshawa, Ont.
H. C. F. Mockridge, Toronto, Ont.
Allen T. Lambert, Toronto, Ont.
F. M. A. Noblet, Darien, Conn.
E. C. Patterson, Bedford, N. Y.

UNITED STATES FUND

E. C. Patterson, Bedford, N. Y.
J. C. Traphagen, West Nyack, N. Y.
F. M. A. Noblet, Darien, Conn.
William C. Bolenius, Cutchogue, N. Y.
R. Samuel McLaughlin, Oshawa, Ont.
H. C. F. Mockridge, Toronto, Ont.

BRITISH FUND

International Nickel (Retirement System) Trustees Limited, London

Fifteen Year Review of

Year	Net Earnings		Dividends		Income Taxes	Depreciation and Depletion
	Amount	Per Common Share*	Amount	Per Common Share*		
1965	\$ 143,800,000	\$ 4.85	\$ 90,300,000	\$ 3.05	\$ 93,500,000	\$ 26,500,000
1964	135,800,000	4.59	81,300,000	2.75	66,700,000	27,500,000
1963	106,300,000	3.60	66,300,000	2.25	43,600,000	26,200,000
1962	94,200,000	3.19	55,900,000	1.90	37,400,000	24,300,000
1961	88,800,000	3.02	46,900,000	1.60	60,900,000	19,900,000
1960	80,700,000	2.76	44,500,000	1.52½	60,200,000	15,500,000
1959	85,200,000	2.91	43,800,000	1.50	58,800,000	14,600,000
1958	39,700,000	1.35	37,900,000	1.30	28,300,000	13,400,000
1957	86,100,000	2.95	54,700,000	1.87½	56,800,000	20,300,000
1956	96,300,000	3.25	54,700,000	1.87½	61,000,000	19,900,000
1955	91,600,000	3.07	54,700,000	1.87½	60,200,000	19,100,000
1954	65,300,000	2.17	42,300,000	1.45	43,400,000	17,800,000
1953	53,700,000	1.77	34,300,000	1.17½	43,900,000	12,900,000
1952	58,900,000	1.95	37,900,000	1.30	43,600,000	10,500,000
1951	62,900,000	2.08	37,900,000	1.30	48,100,000	9,100,000

*As adjusted to reflect the split of the shares on a 2-for-1 basis in 1960.

Financial and Operating Results

Capital Expenditures	Ore Mined (SHORT TONS)	Nickel Deliveries (POUNDS)	Copper Deliveries (POUNDS)	Platinum-Group Metals and Gold Deliveries (OUNCES)	Exploration Expenditures
\$ 62,700,000	19,800,000	493,000,000	275,900,000	510,800	\$12,300,000
44,400,000	16,400,000	444,200,000	286,500,000	544,800	7,600,000
36,000,000	13,600,000	350,700,000	253,600,000	439,400	6,400,000
61,000,000	13,800,000	318,200,000	267,300,000	410,800	5,900,000
46,000,000	17,500,000	372,500,000	268,700,000	443,000	7,400,000
76,000,000	16,800,000	351,900,000	292,500,000	409,400	8,900,000
66,900,000	15,300,000	317,000,000	252,500,000	420,900	8,000,000
54,400,000	9,500,000	205,800,000	210,600,000	189,400	7,400,000
43,900,000	16,000,000	290,100,000	280,800,000	382,800	8,900,000
23,000,000	15,500,000	286,100,000	271,300,000	411,100	8,200,000
26,900,000	14,200,000	290,500,000	263,200,000	487,700	5,200,000
22,300,000	14,500,000	282,000,000	253,300,000	300,700	5,300,000
21,100,000	13,700,000	251,400,000	234,300,000	309,000	6,100,000
19,300,000	13,200,000	249,000,000	234,300,000	329,500	5,000,000
23,700,000	11,800,000	243,900,000	237,000,000	413,500	2,600,000

Principal Properties, Plants and Laboratories

PRODUCING MINES

SUDBURY DISTRICT, ONTARIO — Creighton, Frood-Stobie, Garson, Levack, Murray, Crean Hill, Clarabelle, MacLennan and Totten

THOMPSON, MANITOBA — Thompson

CONCENTRATORS

COPPER CLIFF, CREIGHTON AND LEVACK, ONTARIO; THOMPSON, MANITOBA

SMELTERS

COPPER CLIFF, ONTARIO — *Nickel oxide sinters*

CONISTON, ONTARIO; THOMPSON, MANITOBA

IRON ORE RECOVERY PLANT

COPPER CLIFF, ONTARIO — *High-grade iron ore; nickel oxide*

REFINERIES

PORT COLBORNE, ONTARIO — *Nickel metal; cobalt metal*

THOMPSON, MANITOBA — *Nickel metal; elemental sulphur*

COPPER CLIFF, ONTARIO — *Copper; gold, silver, selenium, tellurium; semi-refined platinum-group metals; nickel sulphate*

CLYDACH, WALES — *Nickel metal; nickel and cobalt salts and oxides; nickel powder; iron powder*

ACTON (LONDON), ENGLAND — *Platinum, palladium, rhodium, ruthenium and iridium*

PRODUCT RESEARCH LABORATORIES

STERLING FOREST, NEW YORK, AND HARBOR ISLAND, NORTH CAROLINA, U.S.A.

BIRMINGHAM AND ACTON (LONDON), ENGLAND

PROCESS RESEARCH LABORATORIES AND PILOT PLANTS

COPPER CLIFF AND PORT COLBORNE, ONTARIO; CLYDACH, WALES

ROLLING MILLS

PLANTS — HEREFORD, ENGLAND; HUNTINGTON, WEST VIRGINIA, U.S.A.

Wrought nickel and high-nickel alloys

RESEARCH LABORATORIES — HEREFORD, ENGLAND; HUNTINGTON, WEST VIRGINIA, U.S.A.



